S
353.978
G1M
1949
1

STATE DOCUMENTS

MESSAGE

OF

GOVERNOR JOHN W. BONNER

TO THE

Thirty-first Legislative Assembly

OF THE

STATE OF MONTANA

1949

MONTANA STATE LIBRARY
930 East Lyndale Avenue
Helena, Montana 59601

Montana State Library
3 0864 1004 9016 1
DISCARDED
MONTANA STATE UNIVERSITY
LIBRARY
MAY 1 1985
GIFT
LIBRARY
UNIVERSITY of MONTANA

MONTANA STATE UNIVERSITY LIBRARY

MESSAGE

OF

GOVERNOR JOHN W. BONNER

TO THE

Thirty-first Legislative Assembly

OF THE

STATE OF MONTANA

DISCARDED

MAY 1 1969

LIBRARY
UNIVERSITY of MONTANA

1949

STATE PUBLISHING CO., HELENA, MONT.

S
353.9726
A176a
31
1949
Copy 3

GOVERNOR'S MESSAGE

Mr. President, Mr. Speaker and Members of the Thirty-first Legislative Assembly:

I can find no language within my vocabulary to adequately express my gratitude to the people of Montana who have so signally honored me. Upon assuming office as your Governor, I am not unmindful of the great responsibility of my position and right here and now I desire to thank you from the very bottom of my heart for the confidence reposed in me.

On Monday, the Chief Justice of this great State did, in the presence of a convocation of friends, administer to me my oath of office. I desire to give you the positive assurance that I shall not regard indifferently the sacredness of that oath.

With the present deplorable world conditions threatening to stamp out every essence of democracy and with our own perplexing governmental problems which call for straightforward action and thinking — now, more than ever, each public official and employee must realize his position as one of trust — the violation of which may well be a contributing cause to the weakening of our cherished democratic form of government.

I pledge anew my love and loyalty to my native State and pledge to her unselfish service. Born and reared on Montana soil, educated and trained in her educational institutions, honored beyond measure by her people, I am ready to give my very best to her upbuilding.

For nearly two centuries, the territory comprising Montana has been a vital factor in the political affairs of men. During this era, at least, three countries have endeavored to manifest their sovereignty over her. Woven into her thrilling history of war and peace has been exploration, the hardy endeavors of our pioneers, romance and herosim.

Today we are here assembled for the thirty-first time in the history of our State, as a new legislative administration is being mobilized for service. As members of this Legislature, I know the spirit with which you enter upon your duties. You are all imbued

with the great desire to perform a useful service for the people of Montana and upon this foundation, democracy rests. Government must be responsive to the wishes of its citizens. In order to attain a real democratic government, we all must have a keen understanding of the lessons of experience, a broad vision of the future, a thorough appreciation of the factors which determine Montana's economic welfare and last, but not least, an attitude of unselfishness.

I know the people of Montana. Recently I have met them face to face all over this great State of ours. No one can travel this great State and meet its people without experiencing the thrill and throb of the growing pulse of the people for a fine, high type of civilization which permits no dishonesty in private thinking, no camouflage in social life and no double dealing in public service.

We, as Montana's elected servants, have the duty to direct the destinies, to make and administer the laws, to lift high the ideals, to protect the weak and curb the greed of the strong, to perpetuate the liberty, to guarantee the industrial freedom of over half a million people.

It is a challenge that comes but once in a lifetime and I know that we all are more than willing to accept that challenge by doing our very best for the interests of all our people.

Only a part of the men and women of Montana elected me Governor — yet, as I took the oath of office Monday, I stepped beyond the narrow and selfish confines of partisan politics, and became the Governor for every man, woman and child who lives within the boundaries of Montana. And so it is with you, as representatives of the people. The future is before us. No prejudice should thwart our purpose — no bias should encumber our judgment and no personalities should becloud our vision or hamper our endeavors. Petty political bickerings should not exhaust our energies which are now so sorely needed for the welfare of our people.

We are not here to build political fences or to construct political machines. Personally, I shall call around me to fill positions those in whom I have confidence and I shall remove from office, without fear, or one single thought of the future, any or all of them if I find that they do not live up to my expectations.

Conforming to our Constitution, I will now proceed to give you information concerning the condition of our State, recommendations for the enactment by you of such measures as I deem expedient, and my estimates of the amount of money required to be raised by taxation for all purposes in the State.

FINANCES

Our State auditor has informed me that on December 1, 1948 we had a balance of $8,993,592.89 in the General Fund and our State accountant has informed me that our actual income for the fiscal year 1947-1948, as compared to the estimated income for the same period, is as follows:

Income Source	*Amount of Income*	*Amount of Estimate*	*Increase*
Beer Act	$ 782,769.06	$ 550,000.00	$ 232,769.06
Trade Stimulator	691,820.02	500,000.00	191,820.02
Cigarette License	1,292,228.87	850,000.00	442,228.87
Photographer's License	306.00	70.00	236.00
Slot Machines	250,815.96	70,000.00	180,815.96
Other Income	12,430,899.20	8,001,249.00	4,429,650.20

The State Accountant has also informed me that our present income far exceeds our unexpended appropriations.

It is common knowledge that present salaries paid to city, county and state officials and employees are generally inadequate when we take the cost of living into consideration and salaries paid to others for the same type of work and responsibility. I therefore recommend that you do everything possible to rectify this situation.

If our income is carefully expended, I am convinced that, save for highways, our present revenues will adequately provide for the proper function of State affairs, without additional new taxes, except in cases where commodities are not now taxed and which are akin to those commodities now subject to taxation.

We have duplications of duties in our State Government. I recommend that a committee be appointed to study the duplication which exists in our State Government and that you pass appropriate legislation, during this Session, eliminating such duplications, which will result in a saving to the taxpayers of this State.

Unless we call a halt to duplication of duties and practice economy wherever possible, it is obvious that we cannot live within our income, no matter what new taxes are imposed upon our citizens. If you see fit to increase the expenses of State Government, you should also consider the source of revenue or taxation to take care of these expenses.

Montana's tax laws have not been revised since 1921. It is my belief that the State's whole tax structure should be carefully reappraised, and I therefore further recommend that you set up a Commission with the necessary finances, to study Montana's tax structure and report its findings to the next Legislature.

PUBLIC SCHOOLS

Everyone is conversant with the fact that we are faced with a serious problem concerning our public school system. It is needless to say that all the children of this State, whether they reside in rural areas or in towns or cities, are entitled to equal educational opportunities, but such a condition does not exist.

Many of our districts do not have the same financial means as other districts and, because of such inequalities, our public school system is not what it should be. It is my opinion that we should have superior public schools from kindergarten through college. This we do not have and it is therefore obvious that we must inaugurate a new system of financing and effect a new system of organization if we are to have the type of school system we desire in this State and to which our children are entitled.

It would appear that the inequalities of taxation concerning our schools may be removed by an adequate contribution from a State level which would insure equalities of educational opportunities for any child, regardless of where he lives, in Montana.

Contributions from a State level could well be in the nature of non-real property taxes which would, in effect, constitute replacement taxes in that they would tend to reduce and eliminate further taxes on real property for school purposes.

Numerous revenue proposals have been advocated in order to solve our present educational problem and such proposals, in my opinion, must be considered in light of the entire financial condition and obligations of the State. Additional sources of revenue will, of course, depend on all financial measures considered and passed by you, in this Session, for the State as a whole. For this reason, I am not, at this time, making specific recommendations as to sources of revenue for the solution of our school problem because, at the present time, it appears that this is a matter wholly within your good judgment and discretion.

Our school problem should be solved during this Legislature and I therefore recommend that you give the closest scrutiny to the recommendations of the Montana Citizens Committee on Education and the recommendations of any other Committee whose objective is to better the public school system of this State.

TEACHERS' RETIREMENT ACT

The Montana Teachers' Retirement Act has been of great value to our retired teachers and our educational system. The provisions of this Act are far from perfect and may be improved. I therefore recommend that you carefully consider this Act with the view of liberalizing it in light of the changing employment conditions since its enactment. I know we all agree that we must continue to do everything possible to attract worthy persons to the teaching profession in order to maintain a high standard of education. I therefore recommend that you seriously consider any legislative program presented to you for the betterment of our Teachers Retirement Act.

HOUSING

It is common knowledge that we have a serious housing condition existing in Montana and I recommend that you memorialize Congress to pass legislation which will provide means with which our citizens may procure reasonable and adequate housing facilities at the earliest possible moment.

PUBLIC WELFARE

We all recognize that it is our duty to adequately care for the needy-aged, the blind and neglected and dependent children so that they may live in decency. It is obvious to everyone of us that the increasing living costs have far offset increased payments, and I therefore recommend that you carefully examine the situation affecting these worthy beneficiaries of State assistance and enact appropriate legislation which will substantially increase their monthly allowances. At the present time their allowances are far from adequate and therefore should be given special attention.

HOME FOR THE AGED

One of the most serious problems confronting Montana today is that of caring for the needy-aged persons who are not insane, by providing a home for them in order that they be adequately cared for. This is a matter that should not be delayed and I earnestly urge that you provide a home for the needy-aged, separate and distinct from our State Hospital, so that these unfortunate persons will not be committed to Warm Springs, as is now the case in many instances.

STATE HOSPITAL

Another serious problem confronting the people of Montana is that of making our State Hospital a fit place for the unfortunates

who are committed there. I know we all feel a deep responsibility for our mentally-ill fellow-citizens. We must see to it that these patients receive the best of medical care, that they are well-housed, receive just treatment and have a high standard of living. I therefore ask that you give special consideration to this problem and make adequate appropriations to meet the objectives which I have just enumerated. From my information, with the completion of the present building program, the patients will be adequately housed and special attention should now be given to appropriations for the food and other requirements necessary to meet a high standard of living — medical care and adequate and efficient personnel.

WORKMEN'S COMPENSATION

In light of the high cost of living, I recommend most earnestly that the weekly payments made under our Workmen's Compensation Law be increased substantially because payments now made are inadequate. In order to bring about more justice in the administration of the Workmen's Compensation Law, I also recommend that the waiting period for a single person be reduced to one week, as is the case with a married person.

Furthermore, I recommend that in case of an injury causing death, that the beneficiary be paid for 500 weeks, as is the case with those who sustain permanent disability and I also recommend a twenty-five per cent increase in the number of weeks for specific injury.

LABOR DEPARTMENT

Labor in this State is entitled not only to official recognition but to a separate department in our State government in order that there be an efficient administration of our labor laws. In order to establish this vital and worthy department, it is necessary that you pass appropriate legislation so that a Constitutional amendment, providing for a Labor Department, be submitted to the voters at the 1950 election. I recommend that such legislation be passed by you at this Session.

UNEMPLOYMENT COMPENSATION

Because of the present high cost of living and in order to further aid those who are unfortunate enough to be unemployed, I recommend that our Unemployment Compensation Laws be amended to provide for a substantial increase in the maximum weekly benefits, dependents' allowances, a longer uniform potential duration and a reduction of the waiting period to one week.

From my information, these beneficial changes may be accomplished without a change in the contribution rate.

In legislation affecting the provisions of our Unemployment Compensation Laws, it is my opinion that we should, at all times, be certain to protect and maintain an adequate reserve in our Unemployment Fund in the event of a period of economic stress which might arise in the future.

CONSTRUCTION OF INDIAN HOSPITAL FOR TUBERCULAR INDIANS

By virtue of Public Law 332, 80th Congress, there was appropriated by the United States, the sum of $750,000.00 for the purpose of cooperating with the State of Montana for the construction, extension and improvement of a Tubercular Sanitarium at Galen, Powell County, Montana, for tubercular Indians. The original appropriation was for $1,500,000 and Hon. James E. Murray, United States Senator from Montana, as well as Hon. Mike Mansfield, Congressman from the Western District of the State of Montana, have both expressed their opinions that the next Congress will appropriate the additional $750,000.00 for this purpose. In order to avail ourselves of this appropriation, the State of Montana must provide additional funds to complete the construction, extension and improvement, including regulation equipment of the said hospital. From my investigation, I am convinced that it is necessary we do everything possible in order to construct the hospital for the benefit of our Tubercular Indians and I therefore seriously recommend that a contingent appropriation be made, at the earliest possible moment, which will be effective upon Congress appropriating the remaining $750,000.00 as I have heretofore related.

Personally, from my investigation, I believe that in order to comply with the Congressional appropriation that our contingent appropriation need not exceed $700,000.00.

VETERANS

As we all know, the Veteran and his dependents do not want something for nothing, but simply a chance to make a decent living and establish themselves in their respective communities. In order to accomplish this, worthy legislation concerning them should always be carefully considered. In order to help the veterans and their dependents to accomplish the objectives I have heretofore enumerated, I recommend that legislation be enacted giving non-disabled veterans a credit of at least 5% and a disabled veteran a credit of

at least 10% on all examinations required before employment by the State. And I further recommend that such legislation also give such credits to their dependents in such examinations. Again, in order to help insure the education of children of veterans killed in action or who died of disease during World War II, I recommend that legislation be passed giving those children free tuition at any of our Montana Public educational institutions.

I also recommend that you memorialize Congress to pass the Veterans Economic Development Act as embodied in H. R. 521 and S. 1652 in the 80th Congress. This act proposes to set up a five million dollar back-log from which loans may be made to develop and create new industries. The Act would operate in the same manner as does the Home Owners Loan Corporation and other like Federal Agencies which have been entirely self-supporting. This legislation would help both veteran and non-veteran and bring new business to Montana.

I also recommend that you give serious consideration to appropriations asked for by the Veterans' Welfare Commission.

The foregoing constitute matters which I deem essential at this time in order to help the veterans and their dependents and, undoubtedly, many other worthy measures will be presented to you by the veterans and their dependents for your consideration and I know you will give these proposed measures your utmost attention.

PIONEER-VETERANS MEMORIAL BUILDING

Though $400,000.00 has heretofore been appropriated, from my investigation it is my opinion that $350,000.00 more must be appropriated in order to construct the Pioneer-Veterans Memorial Building. This is due to increased building costs since the last appropriation and because an additional room is needed for the reason that I will now give. At the present time, a committee is working with the view of procuring a great number of paintings by Charles E. Russell for the State of Montana. These paintings, in order to be adequately kept, must be placed in a room with favorable atmospheric conditions. In my opinion, the plans for the Pioneer-Veterans Memorial building should be altered in order to provide for such a room. The appropriation I have just mentioned includes the cost of this room. The appropriation will not entail new taxes because ample money for the construction of this building, so I am advised, is already in the Capitol Building Fund and the Veterans Memorial Fund.

I recommend that these appropriations be made so that the Pioneer and Veterans Memorial Building may be constructed without further delay.

HIGHWAYS

We have reached a crisis, as far as our highway situation is concerned, in Montana. In my opinion, something must be done by this Legislature if we are to save what highways we have and to have an adequate program of highway construction in this State. I think it is obvious to all that the people of Montana want action now on our highway program.

Since this last General Election, I have obtained from our State Highway Commission the statement of our financial situation and what is going to be necessary in order that we can take advantage of Federal funds already available. Our present highway financial situation, as given me by the Highway Commission, is as follows:

	State	*Federal*	*Total*
Work Remaining to Contract 1944 Federal Act.	$ 5,720,000	$ 8,580,000	$14,300,000
Work Remaining to Contract 1948 Federal Act.	9,000,000	14,000,000	23,000,000
Total	$14,720,000	$22,580,000	$37,300,000
Deduct State Funds Available Including Debentures	5,720,000		
Additional State money required in order to match available Federal funds under 1944 and 1948 Federal Acts	$ 9,000,000		

The additional nine millions of dollars of State money which is required to match the present available Federal Funds, as heretofore shown, over and above that of all State funds available including the debentures which will be sold, would undoubtedly provide a real aggressive program of highway construction for approximately three years. This means, of course, that we must provide revenue. during this Session of the Legislature, which will provide three millions

of dollars a year because it is reasonable to assume that Federal funds, in the same proportion, will continue in future years. From my investigation, it is my conclusion that we need this type of program in the amounts just stated if we are to have the type of highway construction and maintenance to which this state is entitled.

There are, in my opinion, at least six equitable methods by which additional revenue may be obtained. These are:

(1) Increased gasoline tax.

(2) Increased tax on diesel fuel.

(3) Imposition of a tax in proportion to the gasoline tax on propane, butane and all other fuels excepting gasoline by rating of pounds per horsepower hour, used for propelling vehicles of any kind upon the highway.

(4) An annual tax on trucks determined by tonnage.

(5) An annual tonnage tax on trailers and semi-trailers.

(6) A caravan law providing that a fee be paid on each vehicle transported for hire on our highways which fees would go to the building and maintenance of our highways.

I do not believe that any further tax or license should be placed on private passenger vehicles for the obvious reason that a further tax or license on such vehicles would be inequitable.

The people of Montana know that revenue must be raised for the maintenance and construction of our highways and I again seriously recommend that you find ways and means, during this Session, to obtain revenue which will insure a real program of highway maintenance and construction for Montana.

Delay in solving this problem will avail us nothing but, on the contrary, will lead, in my opinion, to a substantial loss of the millions of dollars which we have already invested in our roads. Not only this, but the lack of a real highway program will inconvenience our own residents and will substantially diminish the revenues which Montana each year receives from its tourists. In considering our highway situation, I also earnestly call to your attention the feasibility of working out a program for farm-to-market roads which is essential to the farmers and ranchers of this State.

STATE HIGHWAY PATROL

Our State Highway Patrol is a very efficient organization. It is composed of high-calibre men and is a credit to this State. How-

ever, the salaries paid these patrolmen are grossly inadequate and I recommend that you seriously consider appropriations which will insure them salaries commensurate with the fine service they render to this State.

MUNICIPALITIES AND COUNTIES

Streets and roads in many of our municipalities and counties are fast deteriorating because of inadequate funds and I therefore recommend that you seriously consider any legislation which will aid such towns, cities and counties in providing better streets and roads.

RURAL ELECTRIFICATION

We are progressing well with Rural Electrification in Montana and I am sure you will agree with me that we should continue to do everything possible with the view of extending Rural Electrification, wherever we can, to every farm and ranch in Montana.

APPRENTICESHIP COUNCIL

I heartily endorse the work of the Montana State Apprenticeship Council in conjunction with the Federal Bureau of Apprenticeship. The work of these agencies is of primary interest and importance to industry, including management and labor. At the present, more than 1200 apprentices in Montana are registered under apprenticeship programs developed jointly by the State Apprenticeship Council and the Federal agency with management and labor in over 50 apprenticeable trades. Approximately 85% of these apprentices are veterans of World War II, learning the skills of their chosen trades, thus equipping them with the knowledge for future journeymanship resulting in security for themselves; providing skilled workers to employers; and the public benefiting by having skilled craftsmen performing their work. Because of the most worthwhile work being performed by these agencies, I request the Legislature again to provide adequate funds for the continued successful operation of the Montana State Apprenticeship Council, under the State Apprenticeship law.

RADIO PRIZE CONTESTS

Participation in Radio Prize Contests has been held illegal in Montana. In order that our residents may have the same rights as others who reside in the United States to take part in radio prize contests, I recommend appropriate legislation in order to rectify our outmoded laws in this respect.

AVIATION

The increasing importance of aeronautics and its functions is becoming more and more apparent in its relationship to the economy of our State. The use of the airplane by the rancher and businessman is no longer a novelty. Crop spraying, by air, for weed and insect-control is a proven additional utility of the airplane. We must continue to plan ahead in the development of landing strips and airports for all communities. Airport development is necessary before we can establish feeder airlines to link all of our communities with the present excellent airlines now operating through Montana.

I would like to bring to your attention the good work of our State Aeronautics Commission. This agency, financed only by the industry it represents, has accomplished a great deal in the promotion of aeronautics, airport development and air education. The commission has been aided in this work by the Montana Pilots' Association, The Flying Farmers' and other aviation groups. Your support of any recommendations the Commission may make will be justified. Montana can benefit materially in fostering aviation.

LIQUOR CONTROL BOARD

I recommend that you thoroughly investigate our Liquor Control system with the view of squeezing politics and corruption out of its operation so that it will be operated efficiently for the benefit of the people of this State.

As long as I am Governor there will be no brokerage system and I recommend that Legislation be passed prohibiting brokerage, in connection with our Liquor monopoly system.

In order to administer the Liquor Control Act more efficiently and to procure more revenue for the people of this State, I recommend the enactment of legislation which will authorize and direct the Montana Liquor Control Board to purchase, safely keep and sell identification stamps serially numbered to be affixed to each and every bottle of distilled spirits, wines, cordials or liquors sold by or under the authority of the Liquor Control Board.

During the last Session, a law was passed limiting the number of retail liquor and beer licenses. As a result, newly-established Posts of National Veterans organizations and Lodges of National Fraternal organizations are without liquor and beer licenses because such licenses have been over-subscribed in the area in which these Posts and Lodges are situated. In order to remedy this situation, I recommend legislation which will give a legitimate national fraternal or legitimate national veteran organization, which has been in existence

for at least five years, the right to procure liquor and beer licenses. In order to avoid speculation in beer and liquor licenses, I recommend legislation which will provide that all liquor licenses and beer licenses, which are not actually used by the owners thereof within 60 days after issuance by the Liquor Control Board, be automatically cancelled.

In order to permit the retail liquor dealers to legitimately carry on their business with the prospect of a reasonable return on their investment, as is the case with other merchants, I recommend that this Legislature enact Legislation giving the retail liquor dealers a 10% discount on liquor purchased in quantities by them from the State. This procedure would conform to standard merchandising practices, as where the retail merchant purchases in quantity from a wholesaler.

Under the present law, one selling liquor to a minor can be tried only in the Justice Court. The selling of liquor to a minor, in my opinion, is a grievous offense and is one for the District Court where a greater penalty can be meted out in the event the defendant is found guilty. I therefore recommend appropriate legislation which will make the selling of liquor to a minor a major offense with a severe penalty in the event of conviction.

SOCIAL CLUBS

Since you last assembled here, Social Clubs have grown over this State like mushrooms. There has not been a case insofar as I can determine, which has determined whether or not any of these Social Clubs have conformed to existing laws. These Clubs, in many instances, have received licenses from the State to operate slot machines. Many of these clubs carry on open gambling. At the same time, as most everyone knows, without the guise of social clubs, slot machines are being illegally operated, openly and notoriously, in violation of law in many counties of this State. In many instances, I am informed, individuals or syndicates control the operation of these slot machines. This practice is, of course, a racket, constitutes corruption and should not be tolerated. Only the illegal operators and corrupt public officials profit under this system.

I am informed that the United States (Department of Internal Revenue) licensed 6,019 slot machines in Montana last year, while only 3,162 of such machines were licensed by this State during the same period of time. Some of our Retail Liquor dealers benefit from the operation of Social Clubs because of their right to have licensed slot machines. This causes unfair discrimination among the liquor retail dealers for the reason that those who are not benefiting

from slot machines obviously cannot compete successfully with those retail dealers who are benefiting from the operation of Social Clubs, or illegal gambling whether it be by slot machines or otherwise. The result, is, therefore, unfair competition. I believe we should face the issues as they stand. Either all slot machines operating in the State should pay a high State license tax for the benefit of our citizens or be completely banned by honest, decent and courageous enforcement of the law, save those which are operated under license by truly recognized fraternal and veteran organizations or by truly charitable institutions. These are matters for you and for you alone to rectify during this Session and I so recommend.

WATER CONSERVATION BOARD

One of the essential programs for Montana is, of course, Reclamation. We must go ahead with this fine program and any adequate financial provisions which will permit the Water Conservation Board to proceed with its projects, merits, in my opinion, your serious consideration.

STATE BOARD OF EQUALIZATION

Chapter 218, Revised Codes of Montana, 1935, was declared unconstitutional with respect to interstate commerce, in State v. Montana-Dakota Utilities Company, 114 Montana 161. Thus, natural gas exported through a pipe line originating in Montana for use without the State, escapes taxation. In order to correct this situation, I suggest that a law taxing the production of natural gas be enacted, incorporating a provision that the production tax be offset by any distribution tax paid on the same gas.

At the present time Montana has no law providing for a tax on aircraft engaged in interstate commerce. I recommend that the Legislature give careful consideration to the enactment of legislation which will correct this deficiency in our present taxation law.

Our freight line company tax law, as amended in 1935, was declared unconstitutional by the Supreme Court in December, 1945. Since the decision, no taxes have been collected on freight line property. The law formerly brought in about $35,000 annually which was credited to the State Public School general fund. A new law should be enacted to again place this property on the tax rolls and I so recommend.

Throughout this State most hotels and other public lodging places have portable coin operated radios, supplied by foreign concerns, for the use of their patrons. Being portable, they can easily

avoid taxation on the first Monday of March, but if they are required to be licensed, the State will derive substantial revenue from that source. For that reason, I recommend that a law be enacted to license each such coin-operated radio.

The State Board of Equalization has found evidence that tax stamps issued by this State to evidence payment of a tax upon required articles have been removed for use upon other taxable items or forged, thereby depriving the State of revenue. I recommend that a law be enacted prescribing the manner of affixing of such stamps and prescribing a penalty for defrauding the State of Montana.

Of major importance is the matter of reclassification and revaluation of real property and improvements, in rural and urban areas in each county and I recommend appropriate legislation to bring this about. Unequal tax burdens exist among the taxpayers and among different classes of property. Section 2028, Revised Codes, 1935, enacted in 1921, authorize a levy to defray the cost of classification in each county, but does not authorize or provide for reclassification. There is no other statute pertaining thereto.

A resolution was passed by the county assessors of Montana at their last annual meeting that the reclassification should be done under the supervision, or by, the State Board of Equalization, in order to obtain uniformity throughout the State.

While much preliminary work has been done under the limitation of the said statute, in cooperation with the Soil Analysis Department of the Montana State College, the Extension Service, the County Assessors and the Boards of County Commissioners, a new Act is necessary before authority exists for such reclassification and revaluation. If the work is to be done by the State Board of Equalization, an appropriation sufficient for the purpose will be needed.

FISH AND GAME DEPARTMENT

We must inaugurate a program of immediate restoration and development of Fish and Game resources to the fullest extent in this State and I especially invite your attention to any legislation which will aid in bringing this about.

PURCHASING AGENT

The present laws relating to State purchases by the State Purchasing Agent are impractical. The statute requiring notice by publication before purchase, would, in many instances, cost the State of Montana over the period of a year, many thousands of

dollars. Because of this fact, Purchasing Agents for many years, in order to avoid the heavy costs of publication have sent out invitations by mail to persons and corporations interested in submitting bids. This practice has at times caused confusion, delay and needless litigation.

I therefore recommend that you pass appropriate legislation which will make workable our laws relating to State purchases by the Purchasing Agent which will be economical to the people of this State and, at the same time, safeguard all purchases made by the State.

INCOME TAX

Many of our citizens are contributing to more than 50% for the support of persons over 18 years of age. Under our present law (Sec. 2295.10 R. C. M. 1935) these persons are not entitled to an exemption. In my opinion, this is unfair and I believe that the law should be amended to change the rate of $300.00 to $500.00 with the elimination of any age, provided the taxpayer contributes more than 50% to the support of such dependent.

I recommend the foregoing changes in our Income Tax Law because many of our people are supporting children going to college as well as persons who are incapable of self support because of mental or physical defects.

POST-WAR PLANNING PROGRAM

Inasmuch as our Post War Planning Program has not been completed and in order to insure its completion, I recommend that the balances in the post-war planning program for the various institutions be reappropriated in order to carry them beyond the June 30 fiscal period.

INDUSTRIAL SURVEY

With our great resources, undoubtedly we can encourage new business to come to this State. However, this will take initiative and planning and cooperation on the part of all of us. With this in mind, I recommend that a Montana Resources Development Board be created in order to make a study and survey of the State's resources and industrial and business possibilities with appropriate policy recommendations for the next Legislature.

CONCLUSION

At no time do I intend to encroach upon the prerogative of your functions. I sincerely believe that the two departments of Government should function independently. Heretofore, I have pointed

out to you several matters which I believe should be treated by law. It is your province alone to prepare and pass measures embodying suggestions on which the people of Montana have so clearly spoken in this last election. At all times, I am ready to help you either individually or collectively, and to you I offer the fullest measure of cooperation.

The people of Montana are expecting much of this legislature and without question, many of these expectations will end in disappointment unless the executive and legislative branches carry out their respective duties in utmost harmony. I am confident that all of you know full well how intensely the people are thinking. It is your duty and my duty to see to it that our actions during this Session of the Legislature meet the approval of the people of Montana.